

Exhibit G



State of New Jersey
DEPARTMENT OF EDUCATION
PO Box 500
TRENTON, NJ 08625-0500

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

LAMONT O. REPOLLET, ED.D.
Commissioner

July 1, 2019

TO: Elizabeth Maher-Muoio
State Treasurer

FROM: Lamont O. Repollet
Commissioner

A handwritten signature in black ink, appearing to read "L. Repollet", written over the printed name of the Commissioner.

SUBJECT: State Aid Advance for Lakewood School District Under the *School District Fiscal Accountability Act*

Pursuant to N.J.S.A. 18A:7A-56, I am writing you to recommend the advance of \$36,033,862 in state aid from the School District Deficit Relief account (20-100-034-5120-489) to the Lakewood School District. The Department finds that this advance payment is necessary to ensure the provision of a thorough and efficient education.

The Lakewood School District will have an estimated deficit of \$36,033,862 for the fiscal year ending June 30, 2020. Of the total amount requested, \$30,050,890 represents projected State aid set forth in the Governor's Budget Message for FY20 that was not adopted in the FY20 Appropriations Act and the balance are for other necessary payments due to the state. The amount requested for the advance of state aid is needed to allow the district to meet the needs of its students and provide a thorough and efficient education.

Mr. David Shafter has served as assistant state monitor in the Lakewood School District since September 2016 and as state monitor since September 2017. The state monitor continues to work with the district in helping the administration and Board of Education develop an understanding of the issues and causes of the deficit situation.

Due to the amount of the advance and its impact on local taxpayers, I recommend a ten-year term for repayment. The first repayment installment of \$3,603,386.20 will be due in the 2020-2021 school year. Upon approval and issuance of the advance, this repayment will be effectuated by the Department through automatic deductions in the state aid provided to the school district. At this time, there is no recommendation for the assessment of interest. We can discuss this further and may determine to impose interest on the unpaid balance in the future pursuant to N.J.S.A. 18A:7A-56(b).

Elizabeth Maher-Muoio

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Thank you for your prompt attention to this matter. If you have questions or require additional information, please contact Glenn Forney, Deputy Assistant Commissioner, Division of Finance, at (609) 376-3941.

c: Kellie LeDet
Kevin Dehmer
Glenn Forney
Cindy Lee
Kevin Ahearn
Charles Muller
Hannah Good